

9. Sustainable Management 10. Materiality 12. External Recognition 13. Participating Initiative

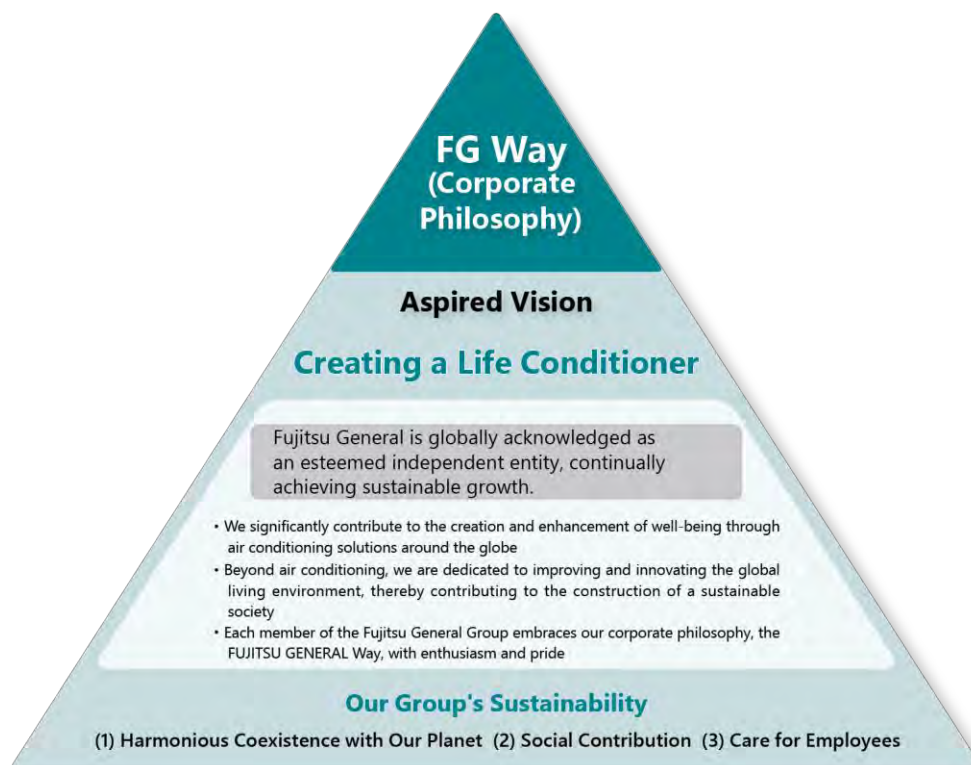
Management



Sustainable Management

Positioning of Sustainability

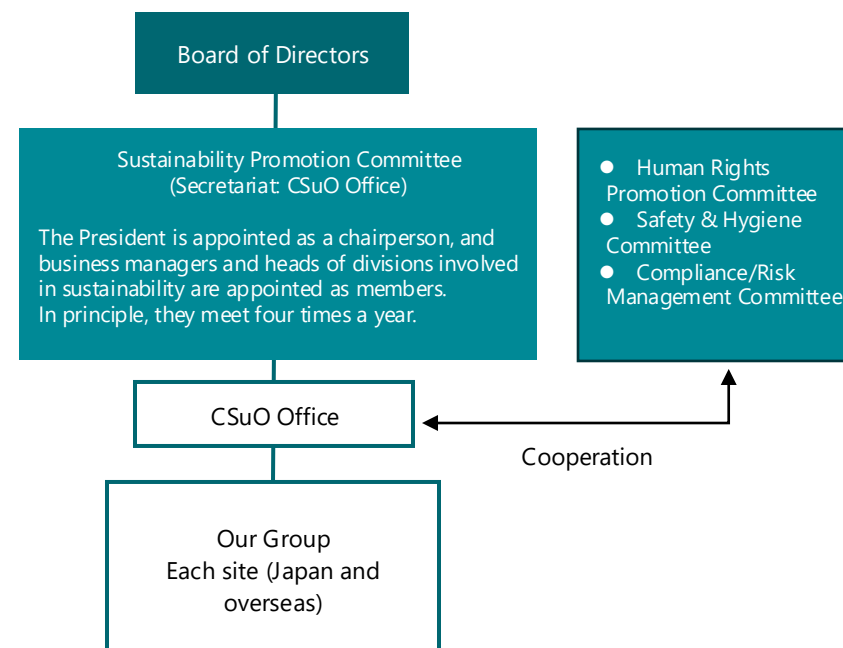
Based on the concept of "Living together for our future," which is stated in Our Group's Corporate Philosophy, the realization of our vision will directly lead to the "realization of a sustainable society" and "resolution of social issues." We have also positioned our core business and sustainable activities so that they are not separate from each other, but rather each individual's business activity itself becomes a sustainable activity, and we are implementing measures based on three pillars: "Harmonious Coexistence with Our Planet (Planet)," "Social Contribution (Society)," and "Care for Employees (Our People)."



Sustainability Promotion Structure

Our Group aims to enhance corporate value through contributions to the creation of a sustainable society with the involvement of the CSuO Office across the entire company. The President is appointed Chief Sustainability Officer (CSuO), and we promote company-wide activities based on "Sustainable Management."

In addition, the Sustainability Promotion Committee shares the status of activities, discusses directions, and makes resolutions on the group-wide activities to solve social issues such as the environment, energy costs, human rights, and sustainability due diligence, in order to achieve a sustainable society. Chaired by the President, the Sustainability Promotion Committee consists of the members of the Executive Management Meeting and Corporate Planning Unit executives who are involved in management strategies. The Committee then brings matters to the Board of Directors for approval as necessary.



Materiality

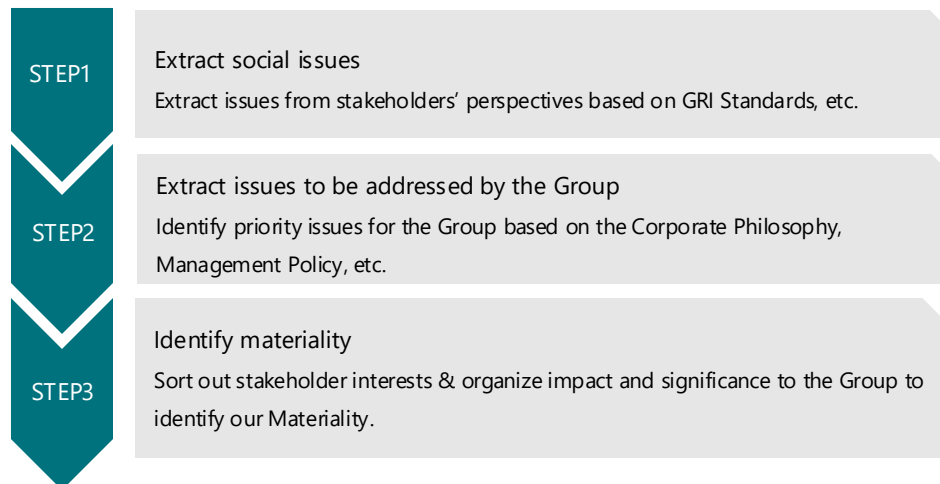
Identify Material Issues

Our Group identifies material issues (materiality) to promote Sustainable Management and pursues business activities to realize a sustainable society.

In identifying materiality, we extracted issues in light of our Group's Corporate Philosophy and Management Policies, considering international guidelines such as SDGs and the GRI Standards as well as the results of various surveys conducted by external research organizations. We then classified and organized the extracted issues into two Categories: "Stakeholder interest & impact" and "Significance to the Group," then assessed their materiality.

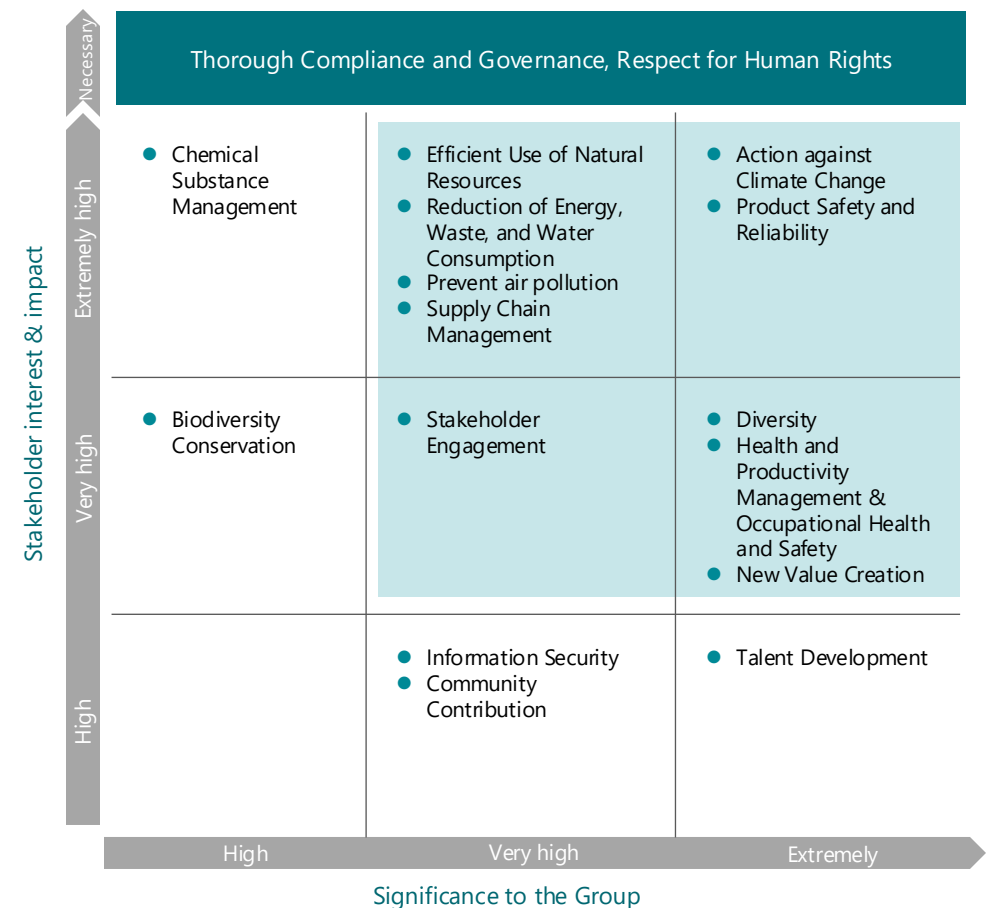
We have also been making revisions to our Group's materiality assessments from the perspective of double materiality, in accordance with the ESRs (standards under the European Corporate Sustainability Reporting Directive (CSRD)) and related implementation guidance drafts since FY2023.

Materiality Identification Process



Materiality Assessment Results

We assessed materiality and identified 17 areas of materiality. We are also promoting efforts related to the most material issues of these 17 areas of materiality as core strategic themes.



Materiality

Core Strategic Themes

Classification		Key Initiatives	KPI	SDGs	
Harmonious Coexistence with Our Planet		Action Against Climate Change, Reduction of Energy	Reduce CO ₂ emissions from products during their use Reduce CO ₂ emissions across business activities	Greenhouse gas emissions Greenhouse gas emissions	
		Efficient Use of Natural Resources	Promote resource-saving design Reduce material waste from production	- Ratio of waste loss ratio to purchase volume	
		Prevent air pollution	Reduce air pollutant emissions	-	
		Reduction of Water and Waste	Reduce water usage Reduce waste generation	Water use reduction rate Reduction rate of total waste generated	
Social Contribution	Customer Relations	New Value Creation	Conduct research and development projects that address social issues Offer products that address social issues	- -	
		Delivery of Products that Meet Customers' Expectations	Endeavor to improve quality	-	
		Improvement of Customer Communication	Improve the satisfaction of customers served by the call center	-	
	Community Relations	Coexistence with Local Communities	Provide educational assistance for children Promote Community Coexistence Make charitable donations	- - -	
		Supplier Relations	Approach to Our Suppliers	Promotion of sustainable procurement	Number of local audit firms
	Hold Dialogue with Shareholders and Investors		Hold Dialogue with Shareholders and Investors	-	
			Share company information with shareholders and investors	-	
	Care for Employees	Development of Employees Who Take on New Challenges on Their Own Initiative	Introduce a system that encourages employees to take on new challenges spontaneously	-	
Train employees			-		
Creation of a Workplace that Promotes Healthy Lifestyles Among Employees to Achieve a "Good Life"		Promote mental health	-		
		Implement measures to prevent lifestyle-related illness	-		
		Reduce second-hand smoke exposure and encourage smokers to quit	-		
		Help employees maintain a healthy diet	-		
		Raise awareness of women's health among all employees	-		
		Help employees continue to work while receiving medical treatment	-		
Creation of a Workplace in which Diverse Employees Can Thrive and Succeed in a Flexible Manner		Promote diversity & inclusion in the workplace	Number of newly promoted female managers and leaders		
		Help employees maintain a good work-life balance	Percentage and number of days of childcare leave taken by full-time male employees		
	Hold dialogue with the labor union	-			
Governance	Respect for Human Rights	Promote human rights awareness	-		
		Take action against human rights violations	Number of cases of due diligence on human rights conducted		
	Compliance and Governance	Provide compliance training to employees	-		

External Recognition

External Recognition

1. Recognized as the "2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program"



2. Acquired the next-generation certification mark "Kurumin"



3. Accredited as "Sports Yell Company 2025 Bronze" Certification



4. Received "Gan-Ally-Bu Award 2024 (Gold)"



5. Acquisition of "Monisu Certification"



6. Registration as a Kanagawa Prefecture "CHO Concept Promotion Office"



■ Participating Initiative

Participating Initiative

7. Japan Climate Initiative: JCI



8. United Nations Global Compact: UNGC



9. Task Force on Climate-related Financial Disclosure: TCFD

